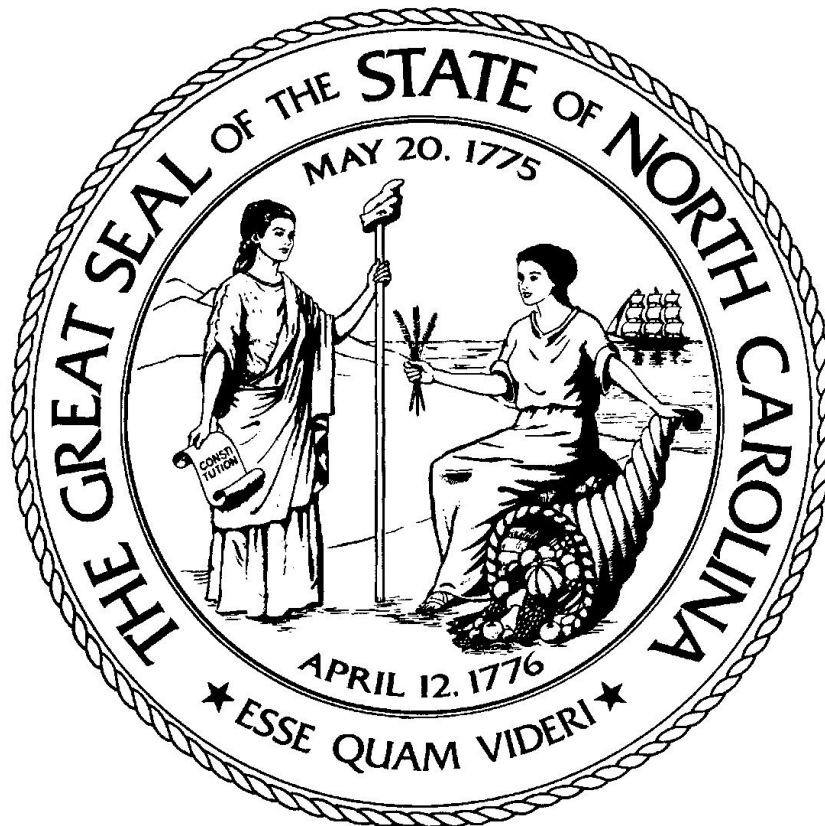


North Carolina

Strategic Planning Guidance

2019 - 2021



Office of State Budget and Management

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1. Introduction

The Office of State Budget and Management (OSBM) has updated the strategic planning guidance for the 2019-21 fiscal biennium and is requesting that agencies submit a 2019-21 strategic plan which reflects their current goals, programs, and operations. As part of Governor Cooper's priority to ensure an effective, accountable, and well-run state, updated strategic plans should:

- Demonstrate how your agency meets the needs of North Carolinians and stakeholders
- Chart a long-term direction for your agency and the allocation of resources
- Align global agency goals, program goals and initiatives, and individual expectations and results
- Establish a mechanism for evaluating your progress and continuous improvement

All agencies are required to submit strategic plans as part of the budget development process. Budget expansion requests must clearly support goals included in the agency's strategic plan to be considered in the Governor's 2019-21 recommended budget. Additionally, the Department of Information Technology will be issuing separate guidance for the required agency IT plan. Your IT plan should align with the mission, goals, and objectives of your strategic plan and identify any planned IT projects that will require an expansion request.

This document and a strategic plan template can be accessed on OSBM's website. Plans must be submitted electronically to OSBM no later than November 1, 2018 and will be made publicly available on OSBM's website.

2. Guidance

2.1. What is Strategic Planning?

Strategic planning is a long-term, future-oriented process of assessment, goal setting, and decision-making. A strategic plan sets the course for what an agency will do over the next three to five years and how it will achieve its desired results. At its core, strategic planning is about influencing the future rather than simply preparing or adapting to it.

2.2. The Planning Process

The planning process in North Carolina state government is driven by the four questions below:

1. *Where are we now?*
2. *Where do we want to go?*
3. *How do we get there?*
4. *How do we evaluate our progress?*

These basic questions prompt agencies to assess their current environment, develop what they wish to achieve, determine how to achieve it, and track progress along the way. This group of questions also treats the planning process as a continual cycle where changes can and should be made as new issues emerge.

The planning process should also incorporate a broad range of perspectives from across an agency. An agency's strategic plan should not be the product of an individual or a small group of individuals; rather, a collaborative effort that is driven by the top executive with contributions and support from all employees.

2.3. Mission Statement

The **mission statement** is the common thread that describes an agency's basic purpose and concisely identifies what the agency does, why, and for whom. It reminds everyone, including the Governor, legislators, and the public, of the unique purposes promoted and served by the agency and provides a clear answer to the question, "Why do we exist?"

Every strategic planning cycle, your agency should review its mission statement and determine if revisions are required. As part of the review process, it is recommended to examine your agency's responsibilities and authorities as spelled out in North Carolina statute. It may be necessary to develop a new mission statement; however, an agency will most likely only need to make moderate revisions to its current mission (or no changes at all) since mission statements often remain appropriate for long periods of time.

The mission statement should be easy to understand and should answer the following questions:

- Who are we as an organization, and who do we serve?
- What are the basic purposes for our agency's existence?
- What makes our purpose unique?
- Is our mission consistent with the agency's enabling statute?
- What do we hope to achieve?

Example of a Mission Statement:

To provide the most accurate and timely information to our citizens.

2.4. Vision Statement

A **vision statement** is a coherent and powerful statement of what an agency can and should be in the future. A vision statement articulates a view of a realistic and creditable future for an agency as well as helps form the foundation upon which to develop a strategic plan. It helps agency employees articulate all of the possibilities that are available, resulting in a distinctive path that no other organization is likely to have.

Note: A mission statement differs from a vision statement in that a mission statement tells who or what an agency is now, and a vision statement tells what an agency hopes to become in the future.

There are many key elements of quality vision statements, which include but are not limited to the following:

- Setting high standards and ideals
- Identifying a clear purpose and direction
- Strengthening enthusiasm and commitment
- Promoting change
- Reflecting uniqueness

An effective way for an agency to develop a vision statement is to answer the following question: What would our agency look like in ten years if we are successful between now and then? The answer should not be a description of the methods that were used but rather a description of what the agency has become. The result portrays an image of the future and sets an ideal for an agency.

Example of a Vision Statement:

To be a nationally recognized leader for organizational excellence and customer service.

2.5. Agency Values

Values are the principles that govern behavior within an agency. They effectively communicate to employees how to interact with each other, guide how to conduct business, and execute day-to-day operations. Consistent with an agency's mission and vision, values should be integrated into all levels and functions of an agency to influence behavior, provide a moral compass, and help employees make tough decisions.

Effective values are clear, succinct, and widely communicated. They also remain consistent and relevant over long time periods as well as provide substantial guidance for carrying out individual responsibilities. Values are typically listed as single words, but phrases or sentences that describe the value may help explain to employees and others why the values are important. While many values may be applicable to define an agency's work and culture, it is recommended to keep the number of values to a minimum. Establishing four to eight core values is usually sufficient. After values are finalized and approved, they should be widely visible throughout an agency and re-affirmed by leadership and management on a continuous basis.

Example of an Agency Value:

Teamwork - *We will succeed through effective communication and trust.*

2.6. Establishing Goals and Objectives

Goals are broad statements of what an agency wants to achieve over a long period of time. They stretch and challenge an agency while being realistic and achievable, and help provide answers to the question, “Where do we want to be?”

The development of agency goals is one of the most critical aspects of the planning process because goals chart the course for the agency. The goal development process begins to focus the agency’s actions toward clearly defined purposes. Within the scope of the stated mission, goals specify where the organization desires to be in the future through broad, issue-oriented statements.

Goals should be clear, easily understood by the public, and address the primary issues facing the organization. Although there is no established limit, the number of goals the agency develops should be kept to a reasonable number in order to clearly establish the agency’s direction and define a set of manageable priority issues. While developing goals, the agency should begin identifying the desired results of its efforts and consider performance measures that will demonstrate accomplishment of those goals.

During the goal development process, an agency should answer the following questions:

- Are the goals in harmony with the agency’s mission and will they help fulfill the agency’s vision?
- Do the goals align with the vision and priorities of the Administration?
- Do the goals provide a clear direction for agency action?

Example of a Goal:

Improve customer service.

Objectives are clear targets for specific action. Linked directly to agency goals, objectives are specific, quantified, and time-based statements that outline measurable steps toward achieving an agency’s mission (note – multiple objectives can be tied to the same goal). Objectives represent the extent to which agency goals will be achieved at the end of the time period covered by the strategic plan.

Objectives should help to prioritize resource allocation and shape the results of agency actions. It is important to be Specific, Measurable, Achievable, Realistic, and Timely (SMART) when developing key objectives. The following questions should help an agency assess its objectives:

- Is the objective clearly related to the stated goal?
- Does the objective clearly state what the agency intends to accomplish?
- Does the objective have specific targets and time frames?
- Can progress toward completion of the objective be measured?
- Is the objective aggressive and challenging, yet realistic and attainable within available resources?
- How does it compare with the objectives of other states and agencies?
- Will someone unfamiliar with the program understand what the objective means?

Example of an Objective:

Increase our customer survey satisfaction score to 95% highly satisfied.

2.7. Performance Measures or Milestones

Defining what constitutes “success” is key to developing and implementing an effective plan. In order to track progress towards the goals outlined in a strategic plan, the objectives presented should have quantifiable **performance measures** that will inform whether goals have been accomplished. Measures should be useful for answering the following questions:

- Did we achieve the results we expected or did it produce results we didn’t want or expect?
- Should our strategy or approach be changed?
- Should the initiative continue or not?

Measures are generally quantitative, though some may be qualitative. Ideally measures should include outcomes when possible. A quantitative outcome, for example, would be a 2% or greater reduction in transportation-related fatalities. In contrast, completing and submitting a strategic plan on time is a milestone rather than an outcome.

Most initiatives will require a mix of measures, both quantifiable and non-quantifiable, short-term and long-term. There are many different type of measures, and a combination of these measurement types may be needed to inform decision-making. Please consider secondary and tertiary outcomes, particularly if those outcomes will provide efficiencies for the state.

While the types and definitions of performance measures are not universal, the table below provides definitions and examples for the most common types of measures.

Type of Measure	Definition	Examples
Milestone	An event or completed aspect that is not easily quantified other than recognizing completion or not.	<ul style="list-style-type: none">• Creating an office training plan• Establishing a baseline measure for future performance measures
Input	Value of resources used to produce an output.	<ul style="list-style-type: none">• Dollars budgeted/spent• Staff hours used
Output	Quantity or number of units produced.	<ul style="list-style-type: none">• Purchase orders issued• Customers served
Efficiency/Process	Inputs used per unit of output (or outputs per input).	<ul style="list-style-type: none">• Cost per appraisal• Plans reviewed per reviewer
Quality	Degree to which customers are satisfied with a program, or how accurately and timely a service is provided (sometimes referred to as short-term outcomes).	<ul style="list-style-type: none">• Error rate per data entry operator• Frequency of repeat repairs
Outcome	Actual impact or effect on a stated condition or problem over a prolonged period of time (typically a year or longer). Outcome focuses on the ultimate “why” of providing a service.	<ul style="list-style-type: none">• Reduction in fire deaths/injuries• Percent of parolees not reconvicted within 5 years

2.8. Strategies and Initiatives

Strategies and initiatives are the actions taken by your agency to meet set objectives. Your agency's strategies and initiatives should have a direct effect on meeting performance goals or milestones. The difference between a strategy and initiative is that typically, a strategy would involve changing the way you already do something, where as an initiative might involve creating a new entity or program.

- **Definition of a Strategy** – A method, plan, or policy designed to achieve a major or overall aim.

Example of a Strategy:

Respond to all customer inquiries within 24 hours.

- **Definition of an Initiative** – A specific project or program undertaken to achieve specific objectives.

Example of an Initiative:

Create a new customer call center to properly route incoming calls.

3. Agency Strategic Plan Template

3.1. Agency Strategic Plan

OSBM will provide a strategic plan template similar to the table seen below. Agencies may vary from this template as long as the same basic information is provided.

Goal 1 - should clearly support the agency’s mission as well as align with the vision and values.		
Objective 1.1 - are measurable, time-based statements of intent that should be derived from and directly linked to the corresponding goal.		
1.1.1 – Performance Measure or Milestone will clearly define the method and unit of measurement or desired event.	Strategy	Name of the Initiative / Strategy for accomplishing the objective.
	Brief Description of efforts that will be employed to accomplish the objective and identify the organizational unit within the agency that is accountable for implementation along with any other pertinent information (e.g. new funding needs).	
Objective 1.2 - are measurable, time-based statements of intent that should be derived from and directly linked to the corresponding goal.		
1.2.1 – Performance Measure or Milestone will clearly define the method and unit of measurement or desired event.	Initiative	Name of the Initiative / Strategy for accomplishing the objective.
	Brief Description of efforts that will be employed to accomplish the objective and identify the organizational unit within the agency that is accountable for implementation along with any other pertinent information (e.g. new funding needs).	

3.2. Strategic Plan Checklist

Your agency may deviate from the provided template, but please ensure all of the following elements are included at a minimum:

- ✓ *Mission* stating what you are doing and tied to statutory authority.
- ✓ *Vision* stating what you seek to become.
- ✓ *Values* establishing organizational principles.
- ✓ *Goals* should clearly support the agency's mission and align with the vision statement.
- ✓ *Objectives* are measurable, time-based statements of intent that should be derived from and directly linked to the corresponding goal.
- ✓ *Performance Measure or Milestone* should clearly define the method and unit of measurement for evaluating progress towards your objectives.
- ✓ *Strategies and Initiatives* should describe efforts that will be employed to accomplish the objective and identify the organizational unit within the agency that is accountable for implementation along with any other pertinent information (e.g. funding, duties, scope, and timelines).

4. Timelines and Submission

4.1. Timeline

Plans are due **November 1, 2018**. Alignment to agency strategic plans are a critical element in considering new program and expansion requests for the 2019-21 biennium. It is essential that agencies submit their strategic plans prior to the Governor's Recommended Budget process.

4.2. Where to submit

Please email completed plans to your designated OSBM Budget Analyst(s) and Corey Petersohn at Corey.Petersohn@osbm.nc.gov

4.3. Questions

For any questions about this guidance, the OSBM strategic plan template, or the strategic planning process, please contact your OSBM Budget Analyst(s) or Corey Petersohn at 919-807-4770 or Corey.Petersohn@osbm.nc.gov